

Program B: Support Services

Program Authorization: R.S. 45:1161; R.S. 45:1177(A, B, & D); R.S. 45:1177.1; R.S. 45:1180 and 45:1181

PROGRAM DESCRIPTION

The mission of the Support Services Program is:

- to manage the progress of adjudicatory proceedings, conduct evidentiary hearings, and make rulings and recommendations to the public service commissioners that are impartial, professional, orderly, efficient, and generate the highest degree of public confidence in the commission's integrity and fairness;
- to ensure that rates for services passed on to Louisiana citizens by regulated carriers are based on reasonable, allowable, recoverable operating costs and prudent investments incurred by jurisdictional companies in providing the services;
- to provide unbiased recommendations, economic and statistical analysis of the activities pertaining to the performance, conduct, and the business of the utilities in accordance with the goals, objectives, and responsibilities of the commission;
- to provide technical support and assistance to citizens regarding regulation of utility and common carrier companies; and
- to review, analyze, and investigate rates and charges filed before the commission with respect to prudence and adequacy to those rates in order to provide reliable and affordable service to customers while allowing the regulated utility to maintain a reasonable and fair rate of return.

The goals of the Support Services Program are:

1. Provide all parties to adjudicatory hearing a fair and impartial hearing.
2. Ensure that jurisdictional company rates are fair and reasonable to the consumer and at the same time provide a fair rate of return to the company.
3. Provide the Public Service Commission (PSC) with accurate reporting of regulated utility and common carrier companies' financial condition; level of earnings; rate of return; adherence to federal, state, local, and PSC laws; regulations and guidelines to assist in decision-making responsibilities.

The Support Services Program includes the following activities (organizational divisions): Administrative Hearings; Audit, Economics and Rate Analysis; and Utilities.

The Administrative Hearings Division was created to assist the PSC in making an examination of the rates charged and services charged by public utilities and common carriers to Louisiana consumers. Administrative law judges manage the progress of and conduct hearing in all matters within the jurisdiction of the commission for which an adjudicatory or evidentiary hearing is requested. These judges have been delegated authority to administer oaths, issue and enforce subpoenas, schedule status conferences and hearings, establish procedural schedules, compel discovery, examine witnesses, make evidentiary rulings, and render rulings on motions, exceptions, and other preliminary matters. They prepare recommendations to the commissioners concerning all final determination and prepare orders.

The Audit Division has a primary responsibility to provide the commission with accurate and current information with respect to the financial condition and the results of operations of regulated utilities.

The Economics and Rate Analysis reviews and analyzes rates of return and rate increase proposals by regulated utilities and makes recommendations to the commission. This division provides analytic capabilities to aid the commission in actively planning and developing policies regarding the regulation/oversight of regulated utilities.

The Utilities Division has responsibility for the maintenance of all rates and conditions of service records filed by regulated utilities. This staff works closely with the Audit Division to examine and audit cost of electric fuel adjustments and natural gas purchases by natural gas companies. It investigates complaints that cannot be resolved at the district level.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1.(KEY) To generate \$557 million in direct and indirect savings to utilities rate payers through prudent review of existing and proposed rate schedules.

Strategic Link: There is no strategic link in the current Strategic Plan. This plan is currently being revised for July 2001.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Direct savings to rate payers (in millions)	¹ \$179.34	\$493.04	\$493.00	\$493.00	\$557.00	\$557.00
K	Indirect savings to rate payers (in millions)	² \$7.00	\$4.86	\$8.00	\$8.00	\$5.00	\$5.00
S	Number of utility filing for rate increases	Not applicable ³	5	15	15	6	6

¹ Direct savings result from reduction orders for existing rates recommended by the program and ordered by the Public Service Commission.

² Indirect savings result from requested rate increases denied by the Public Service Commission based upon recommendations by the program.

³ This indicator was not adopted as a standard in the year indicated.

**GENERAL PERFORMANCE INFORMATION: PUBLIC SERVICE
COMMISSION**

PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Total number of regulated utilities ¹	1,095	1,337	1,370
Number if Certificates of Authority issued ²	170	92	42
Number of docketed cases (utilities only)	159	435	506
Number of dockets dealing with citations. violations	10	25	5
Number if utility filings received	1,173	3,006	3,091
Amount of rate increases requested (in \$ millions)	\$15	\$61	\$9.77
Indirect savings to rate payers (in \$ millions) ³	\$7.0	\$2.2	\$4.86
Direct savings to rate payers (in \$ millions) ⁴	\$104.8	\$346.8	\$493.04

¹ Regulated utilities include electric, gas, water, sewer and telecommunications companies. This figure is measured at the end of the fiscal year.

² A Certificate of Authority certifies that a utility or carrier has met the requirements of the laws and regulations necessary to operate in the state.

³ Direct savings result from reduction orders for existing rates recommended by the program and ordered by the Public Service Commission.

⁴ Indirect savings result from requested rate increases denied by the Public Service Commission based upon recommendations by the program.

GENERAL PERFORMANCE INFORMATION: TYPICAL ELECTRIC BILLS FOR SEARUC* STATES - RESIDENTIAL RATES		
STATE	Summer July 1, 1999	Winter January 1, 2000
Alabama	\$73.90	\$72.22
Arkansas	\$72.72	\$65.30
Florida	\$69.73	\$74.94
Georgia	\$76.21	\$63.72
Kentucky	\$54.37	\$53.00
Louisiana	\$71.77	\$69.45
Mississippi	\$73.21	\$73.35
North Carolina	\$81.10	\$77.30
South Carolina	\$79.53	\$78.86
Tennessee	\$52.10	\$51.98
Virginia	\$72.07	\$68.22
SEARUC AVERAGE	\$70.16	\$68.03
NATIONAL AVERAGE	\$85.03	\$81.37

* SEARUC - Southern Association of Regulatory Utility
Commissions

2. (KEY) To issue 90% of proposed recommendations within 120 days of the completion of hearing and receipt of all necessary information.

Strategic Link: There is no strategic link in the current Strategic Plan. This plan is currently being revised for July 2001.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Percentage of recommendations issued within 120 days	Not applicable ¹	Not available ²	Not applicable ¹	Not applicable ¹	90%	90%
S	Average length of time to issue proposed recommendation	Not applicable ¹	Not available ²	Not applicable ¹	Not applicable ¹	90	90
S	Number of cases heard	Not applicable ¹	Not available ²	Not applicable ¹	Not applicable ¹	160	160

¹ This is a new performance for FY 2001-2002. It did not appear under Act 10 of 1999 or Act 11 of 2000 and has no performance standards for FY 1999-2000 and FY 2000-2001. No estimate of FY 2000-2001 yearend performance was provided by the agency.

² No performance data for this indicator were tracked or reported for FY 1999-2000.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	1,399,865	1,601,329	1,601,329	1,733,511	1,595,496	(5,833)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$1,399,865	\$1,601,329	\$1,601,329	\$1,733,511	\$1,595,496	(\$5,833)
EXPENDITURES & REQUEST:						
Salaries	\$968,644	\$1,057,542	\$1,035,542	\$1,071,178	\$957,199	(\$78,343)
Other Compensation	19,504	12,617	12,617	12,617	12,617	0
Related Benefits	167,419	270,486	220,486	227,061	227,061	6,575
Total Operating Expenses	203,649	129,801	201,801	252,532	248,496	46,695
Professional Services	0	0	0	0	0	0
Total Other Charges	0	95,293	95,293	104,823	104,823	9,530
Total Acq. & Major Repairs	40,649	35,590	35,590	65,300	45,300	9,710
TOTAL EXPENDITURES AND REQUEST	\$1,399,865	\$1,601,329	\$1,601,329	\$1,733,511	\$1,595,496	(\$5,833)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	26	26	26	26	23	(3)
Unclassified	0	0	0	0	0	0
TOTAL	26	26	26	26	23	(3)

SOURCE OF FUNDING

This program is funded from Statutory Dedications generated from inspection and supervision fees paid by public utilities. “Funds received in the form of supplemental fees are provided in R.S. 45:1177(D) for the Public Service Commission shall be deposited into the state treasury and shall be used solely to fund the activities of the Economics and Rate Analysis Division and the Hearings Examiners Division.” (Per R.S. 39.32 B.(8), see table below for a listing of expenditures out of each Statutory Dedicated Fund.)

	ACTUAL	ACT 11	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	1999- 2000	2000 - 2001	2000 - 2001	2001 - 2002	2001 - 2002	OVER/(UNDER) EXISTING
Supplemental Fee Fund	\$685,933	\$785,667	\$785,667	\$854,012	\$776,328	(\$9,339)
Utility and Carrier Inspection and Supervision Fund	\$713,932	\$815,662	\$815,662	\$879,499	\$819,168	\$3,506

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$1,601,329	26	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	
\$0	\$1,601,329	26	EXISTING OPERATING BUDGET – December 15, 2000
\$0	\$13,681	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$0	\$28,530	0	Classified State Employees Merit Increases for FY 2001 -2002
\$0	\$45,300	0	Acquisitions & Major Repairs
\$0	(\$35,590)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$5,169	0	Salary Base Adjustment
\$0	(\$119,148)	(3)	Attrition Adjustment
\$0	\$9,530	0	Other Adjustments - Continuation of Imaging Project
\$0	\$46,695	0	Other Adjustments - Office space rental increase
\$0	\$1,595,496	23	TOTAL RECOMMENDED

The total means of financing for this program is recommended at 99.6% of the existing operating budget. It represents 89.4% of the total request (\$1,783,990) for this program. Recommended increases in funding for this Program are attributable to the Document Imaging System, and for one additional position assist with managing Information Systems (Data Processing) Section.

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2001-2002

OTHER CHARGES

\$104,823 Implementation of an Electronic Document system

\$104,823 SUB-TOTAL OTHER CHARGES

\$104,823 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$25,250 Administrative hearings office furniture, replacement of worn out furniture

\$13,200 Replacement of various data processing equipment

\$6,850 Replacement of various library reference and other office equipment

\$45,300 TOTAL ACQUISITIONS AND MAJOR REPAIRS